CONSTELLATION
HomeBuilder Systems

BuildSoft | Pro

Part I: Closing Procedures and 1099's

2012 Year-End Procedures

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Product and Company Information

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Customer Care

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Toll-free	(800) 411-2020 *Option 5, Option 1*
Support Hours	8:30 AM to 5:30 PM EST, Monday through Thursday 8:00 AM to 5:30 PM EST, Friday

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Order your Year-end Tax Form Information

- All users – Order 1099s and 1096
- Payroll users – Also order W2s and W3

Tax Forms may be ordered by contacting the Constellation Forms Division at 1-800-724-8881 or www.constellationforms.com. *Remember to order forms early to receive them before year-end!*

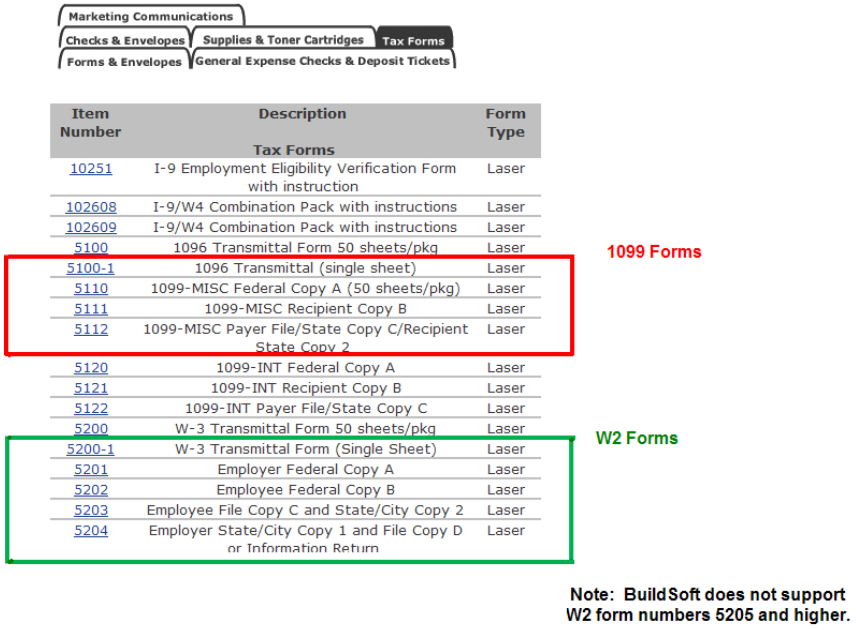
To view or order forms online go to www.constellationforms.com.

Click on **Tax Forms**

Select your software ..... BuildSoft ®

Select form type ..... Form type: Laser

Click on search..... Search


Marketing Communications
Checks & Envelopes
Supplies & Toner Cartridges
Tax Forms
Forms & Envelopes
General Expense Checks & Deposit Tickets
Item Number
Description
Form Type
Tax Forms
10251 I-9 Employment Eligibility Verification Form with instruction Laser
102608 I-9/W4 Combination Pack with instructions Laser
102609 I-9/W4 Combination Pack with instructions Laser
5100 1096 Transmittal Form 50 sheets/pkg Laser
5100-1 1096 Transmittal (single sheet) Laser
5110 1099-MISC Federal Copy A (50 sheets/pkg) Laser
5111 1099-MISC Recipient Copy B Laser
5112 1099-MISC Payer File/State Copy C/Recipient State Copy 2 Laser
5120 1099-INT Federal Copy A Laser
5121 1099-INT Recipient Copy B Laser
5122 1099-INT Payer File/State Copy C Laser
5200 W-3 Transmittal Form 50 sheets/pkg Laser
5200-1 W-3 Transmittal Form (Single Sheet) Laser
5201 Employer Federal Copy A Laser
5202 Employee Federal Copy B Laser
5203 Employee File Copy C and State/City Copy 2 Laser
5204 Employer State/City Copy 1 and File Copy D or Information Return Laser
1099 Forms
W2 Forms
Note: BuildSoft does not support W2 form numbers 5205 and higher.

For **more information** about a particular item, click the item number you are interested in.

Remember to order these forms!

W3 Transmittal:

No. 5200-1: W-3 Transmittal Form (single sheet)
This form should be submitted with the W2's however BuildSoft does not print in this specific format. To generate the information needed to fill out the W3 go to **Enhanced Reports > Accounting > Payroll > Tax Reports > W3**

Form 1096 Transmittal form ***3 free forms with every order ***

No. 5100-1: 1096 Transmittal (single sheet) - This form should be submitted with the 1099's however BuildSoft does not print in this specific format. To generate the information needed to fill out the 1099 Summary Report go to **Accounting > AP > 1099 Information > 1099 Summary Report**

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Year-end Closing Procedures

Below is an outline of suggested procedures and reports for Year-end.

To view the instructional video online click link below:

https://constellationhb.webex.com/constellationhb/ldr.php?AT=pb&SP=MC&rID=25131007&rKey=53e4cc6a73dfdc2e

IMPORTANT!

Any items with ***** should be completed before year end! *Only for users using Accrual Method Accounting in BuildSoft*

- Run the **Accounting Integrity report** to verify checking accounts, accounts payable, and accounts receivable are in balance with the General Ledger. (Accounting|General Ledger|GL & Financial Reports|Accounting Integrity). Research any lines with *** on the report.

- ***** Run the **Accounts Payable Report for End of Year -** should be completed before year end! *Only required for Accrual Accounting method.*

BuildSoft does not have an **Accounts Payable Aging report** as of a specific period; therefore it is important to print an Accounts Payable Aging Report on or before the last business day of the year.

Complete before the Last Business Day of the Year:

Recommended steps:

1. **Confirm that Accounts Payable and General Ledger are in balance.**

Print an Accounts Payable Report - recommended reports to choose from

- Enhanced Reports > Accounting > Accounts Payable > Aging Reports > Detailed or
- Accounting > Accounts Payable > Reports > Grouped by Payee

Run a Trial Balance

- **Accounting > General Ledger > G/L and Financial Reports > Trial Balance >** Run for the year end period. (Example beginning period 1 of 2012 and the ending 12 of 2012) choose **NO** to Job Detail and **Yes** to Combining Accounts in a Range.

Compare the ending balance for accounts payable (example account 211) to the accounts payable total on one of the above aging reports. The amounts should match! Save the Aging Report.

2. **Handling 2012 invoices that come in after year-end.**

During the first week or two of the new year 2013, you may receive both 2012 and 2013 AP invoices. So that only the 2012 invoices (and not the 2013 invoices) are reported on the Accounts Payable Year-end report, we suggest following these three steps below.

- Determine a cutoff date for year end. (Example; January 10, 2013.) During the cut off period, **only enter 2012 invoices** and **do not pay any 2012 invoices** in BuildSoft.

(Post 2012 invoices to the last period in 2012.)

- After the cut off period, print the year-end Accounts Payable report and reconcile this report to the year-end Accounts Payable balance in the general ledger.

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- Once reconciled; print and save the Accounts Payable Aged report then process Accounts Payable as usual posting the transactions to 2013.

- ***** **Accounts Receivable Report for End of Year** - should be completed before year end Only required for Accrual Accounting method.

Complete before the Last Business Day of the Year:

BuildSoft does not have an Accounts Receivable Aging report as of a specific period; therefore it is important to print Accounts Receivable Aging Reports on or before the last business day of the year.

Recommended steps:

1. **Confirm that Accounts Receivable and General Ledger are in balance.**
Print a Current and Aged Receivables Report for year end.

Accounting > Accounts Receivable > Current and Aged Report. In addition, there are various Accounts Receivable reports under **Enhanced Reports > Accounting > Accounts Receivable** > **Aging Reports**. Review the different reports and choose one to use for year end.

- Run the Trial Balance through year end and choose **NO** to Job Detail and **Yes** to Combining Accounts in a Range.
- Compare the ending balance for accounts receivable (example account 121) to the accounts receivable total on one of the above aging reports. The amounts should match! Save the Aging Report.

2. Verify that all customers have been properly invoiced for 2012

If all customers have not been invoice, then **enter ALL 2012 invoices** and **do not pay any 2012 invoices** in BuildSoft

Once all 2012 invoices have been entered; print and save the Accounts Receivable Aged report then process Accounts Receivable as usual posting the transactions to 2013.

OTHER REPORTS TO RUN

1. Run a Trial Balance report for the year.
Accounting| General Ledger|GL & Financial Reports|Trial Balance answering **Yes** to showing activity by job and **Yes** to combining accounts in the summary range group.

Review the closing balances in the trial balance to verify that:

- All jobs that are completed as of the year end have zero closing balances for all Work In Progress (WIP) accounts (141,143,144).
- No amounts are in the closing balances for all WIP accounts (141,143,144) for the OVHDxx jobs or no job.
- All jobs that have been sold as of the year end have zero closing balances for the Finished Inventory account (151) and the WIP accounts (141,143,144).
- All jobs that have been sold as of the year end have zero closing balances in the draw and deposit accounts (200's).
- All jobs that were sold during the year reflect the correct sale amount in the Revenue accounts (310s).
- All jobs that were sold during the year reflect the correct cost amount in the Cost of Goods Sold accounts (360s).

2. Create the new Overhead job.

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Go to **Jobs > Enter** - Select Job Type **Overhead** then click **OK**. BuildSoft will prompt for the year, enter 2013 and click **OK.**

3. Update any Service Payees for Charge Items that reference the Overhead job.
Accounting > Accounts Payable > Service Functions > Edit. Select a Service Payee and click on **Charge Items**. To save time, use the Up and Down arrow keys in the Service Information Form to move from one service to another.

4. **NEW (optional) Enter/Edit Company Budget** (see Company Budgets - #CO 101 Online Training Document)

To enter a Company Income Statement Budget go to Company > System Setting & Company Budgets > Edit Income Statement Budget

5. Reconcile the month's bank statement.
Accounting|Banking|Check Reconciliation

6. Enter any depreciation and other year end entries provided by your accountant via manual journal entry.
Accounting|General Ledger|Journal Entries|Enter.

7. Close the year by closing the last month
When the final period of the year is closed, BuildSoft will automatically post Cumulative Profits to the 2012 Retained Earnings beginning balance.
Accounting|General Ledger|Close Accounting Period

8. Run the Balance Sheet – choose one of the following versions (** denotes recommended reports)
    - **Enhanced Reports|Accounting|General Ledger| Balance Sheet Single Company
    - Accounting|General Ledger|GL & Financial Reports|Balance Sheet

9. Run the Income Statement (P&L) – choose one of the following versions (** denotes recommended reports)
    - **Enhanced Reports|Accounting|General Ledger| Income Statement Single Company
    - **Enhanced Reports|Accounting|General Ledger| Income Statement Compare with Budget
    - **Enhanced Reports|Accounting|General Ledger| IncomeStatement Compare with Prior Period
    - Accounting| GL & Financial Reports|Income Statement

10. Run two versions of Trial Balance report for the year.
Both versions will be valuable to your accountant. (MUST have your Summary Ranges set up. Accounting > General Ledger > GL & Financial Reports > Summary Range Groups. Add one Group with account number **140**)
    - **Accounting| General Ledger|GL & Financial Reports|Trial Balance** answering **NO** to showing activity by job and **Yes** to combining accounts in the summary range group
    - **Accounting| General Ledger|GL & Financial Reports|Trial Balance** answering **Yes** to showing activity by job and **Yes** to combining accounts in the summary range group

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Year-end Closing Notes

- To close the year, follow the same month-end procedures for closing the period. See *Appendix C: Check Lists* in the Building with BuildSoft User manual.
- When the final period of the year is closed, BuildSoft will automatically post Cumulative Profits to the 2012 Retained Earnings beginning balance.
- The year does not have to be closed before posting activity to the next year.
- Closing out the final period of the year can be done any time after year end; and the year can be reopened.
- Closing the year **does not** affect the preparation of W2's or 1099's.
- Year-end adjusting entries can be posted to period 13 if needed.
  - To create period 13 go to **Accounting > General Ledger > Company Setup > Options**. Place an **X** in the box **Extra Year-end Period**. Once the Extra Year-end period has been turn on and transactions have been posted to it, DO NOT turn it off.

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Printing 1099's for 2012 Suppliers

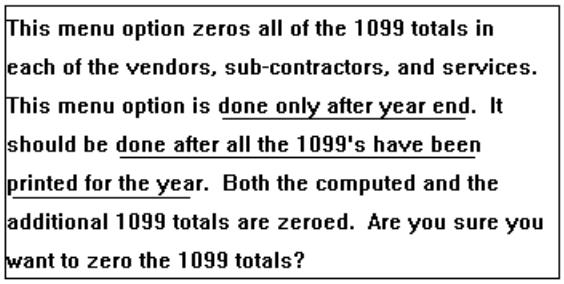
To view the instructional video online click link below:

https://constellationhb.webex.com/constellationhb/lsr.php?AT=pb&SP=MC&rID=25179502&rKey=3463c3856a849f84

1. Zero the Computed and Additional fields from the previous year.

IMPORTANT!!!
SKIP This Step if you have been operating BuildSoft for **less than a calendar year** and have entered 1099 amounts for your suppliers using the "1099 Additional" fields
See section below - 1099 Instructions for users that have been operating BuildSoft for less than one calendar year
Accounting > Accounts Payable > 1099 Information > Zero 1099 Totals.
This will NOT affect Checks or Invoices for your suppliers in BuildSoft.

You will receive this warning message. Click Yes.


This menu option zeros all of the 1099 totals in each of the vendors, sub-contractors, and services. This menu option is done only after year end. It should be done after all the 1099's have been printed for the year. Both the computed and the additional 1099 totals are zeroed. Are you sure you want to zero the 1099 totals?

This warning is referring to LAST year's 1099s.

Also remember that you can ALWAYS recompute 1099s for any year.

2. Verify the Checking Accounts that are to be included in 1099 computation.

Accounting > Banking > Edit the Checking Accounts.
For all checking accounts that need to be included in the 1099 calculation verify that there is NOT an X in the box **Exclude From 1099's**
Note: If an **X** is in the box **Exclude From 1099's BuildSoft** will not use the checking account when computing 1099's therefore any checks written from this checking account will not be included in the 1099 computation.

3. Compute 1099's

Accounting > Accounts Payable > 1099 Information > Compute 1099's.
BuildSoft will compute an amount for all suppliers BUT will only print 1099's for those suppliers that have the following information set up;

- X in the 1099 Box
- Social Security or Federal ID number
- Address

1099 Notes and Tips

- When the 1099's are computing BuildSoft will indicate any missing information. Press the **Enter** key through these messages. An error report will generate after all the messages. Use this report to update BuildSoft with the missing information.

- If a supplier with check activity for the 1099 period has been removed BuildSoft will warn you. Suppliers requiring a 1099 will need to be re-entered using the previously assigned number and supplier type; the error report will provide this information.

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- The calculated1099 amounts can be adjusted by using the Additional amounts (+ or -) in the supplier information form in BuildSoft.

- The limit for number of suppliers in BuildSoft for 1099 calculation is 3850. If you have reached this limit BuildSoft will give you an error when the Computing 1099s. Please contact the BuildSoft Solution Center to compute 1099s.

- Any Worker's Compensation, Other Insurance, or Insurance Handling fees withheld from subcontractors during 2012 will be included in the calculated 1099 amount

- Magnetic media filing - Due to format changes, BuildSoft does not support magnetic media filing.

4. Print 1099 Summary Report to verify amounts.

Accounting > Accounts Payable > 1099 Information > 1099 Summary Report.

Enter any necessary adjustments (+ or -) to the BuildSoft Computed amounts in the **Additional** column on the Supplier's Information Form. **Tip:** Compare this year's amounts to last year's amounts.

5. Align 1099's - No changes to the form this year, however you should always do an alignment test before printing all 1099s. 1099's print to the Report Printer.

Accounting > Accounts Payable > 1099 Information > Print Specific 1099.
Select 4 to 6 Suppliers requiring 1099's.

To adjust the alignment go to Accounting > Accounts Payable > 1099 Information > Configure 1099 Layout.

Retest *before* printing all.

6. Print All 1099's

Accounting > Accounts Payable > 1099 Information > Print All 1099.
For laser printers run this menu option for each copy of the form. For tracker feed printers *do not* separate the forms until after printing. 1099's can be reprinted at any time.

7. 1096 from

Print 1099 Summary Report to fill out the 1096 form. Accounting > Accounts Payable > 1099 Information > 1099 Summary Report.

1099 Instructions for users that have been operating BuildSoft for less than one calendar year:

1. For each Supplier requiring a 1099, manually enter the amounts paid to the Supplier prior to using BuildSoft in the **Additional 1099 non-employee compensation** fields. **Accounting > Accounts Payable > Vendor, Subcontractor** or **Service Functions > Edit**. These amounts will be added to the amounts that BuildSoft computes when printing 1099's.

Tip: While in the Supplier's Information Form verify the ***Mandatory fields*** required for printing 1099's: **X** in the **1099 Box, Social Security or Federal ID number** and **Address**

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2. Follow Steps 3 through 7 above.

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